

RELATIVE PRICE (RP) 2021 SUBMISSION

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Overview of 2021 Updates

- The topics we will be discussing will cover:
 1. Updates to the RP Submission templates
 2. The submissions for both 2019 and 2020 Physician Group RP
 3. Updates to the RP Reporting thresholds for the Physician Group RP and Other Provider RP

Updates to the RP Submission Templates

- CHIA has added a **Service Category Code** column that will help specify the service that's reported under that service category
 - The service category code applies to: *Hospital Outpatient, Physician Group, and Other Provider*
 - The update us to help data submitters report their service categories accurately based on their contracts
- We have included non-claims as a service category for help payers allocate non-claims payments to specific services



HospitalOrgID	HospitalTypeCode	InsuranceCategoryCode	ProductTypeCode	ServiceCategoryCode	Service	MultiplierIndicator	Multiplier	ClaimsPayments	NonClaimsPayments
999999	1	2	1 C3		Lab	1	2.0100	\$ 150,000.00	\$0.00
999999	2	3	1 H1		NonClaims	1	2.2200	\$ -	\$5,400.00
999999	1	2	2 H27		Surgery	1	1.4000	\$ 54,096.00	\$0.00
999999	2	3	2 C1		Office Visit	1	1.6000	\$ 20,090.00	\$0.00

Updates to the RP Submission Templates

- The title page for the Hospital, Physician Group, and Other Provider submission templates now include a table for entering:
 1. The **percent of payments** for hospitals in-network and out-of-network
 2. A **hospital count** of how many hospitals are in-network and out-of-network

Table A.4: In-Network Providers (Inpatient)								
Insurance Category	Product Type	Total Claims Payments	Total Non-Claims Payments	Number of Hospitals	Hospitals		Percent of Payments	
					In Network *	Out of Network *	In Network *	Out of Network *

Updates to the RP Submission Templates

- The highlighted table indicates what needs to be manually entered by the data submitter
 - The insurance category, product type, claims, non-claims, and number of hospitals are populated once the data review tab is clicked
 - The submitted data will be grouped by insurance category and product type

Insurance Category	Product Type	Total Claims Payments	Total Non-Claims Payments	Number of Hospitals	Hospitals		Percent of Payments	
					In Network *	Out of Network *	In Network *	Out of Network *
Medicare Advantage	HMO and POS	\$2,667,468	\$0	30	22	8	84	16

Physician Group RP Submissions

- We will be collecting Physician Group RP submissions for years 2019 and 2020 for this submission period
- The 2019 and 2020 Physician Group RP submissions must be submitted as two separate files for CHIA to properly calculate RP from both years
 - *Both files are due on October 15, 2021*

Relative Prices Filing Schedule	
Date	Files Due
Friday, October 1, 2021	CY 20 Hospital Relative Prices
Friday, October 15, 2021	CY 19 Physician Group Relative Prices
Friday, October 15, 2021	CY 20 Physician Group Relative Prices
Friday, November 5, 2021	CY 20 Other Provider Relative Prices

Relative Price Reporting Threshold Update

Other Provider RP

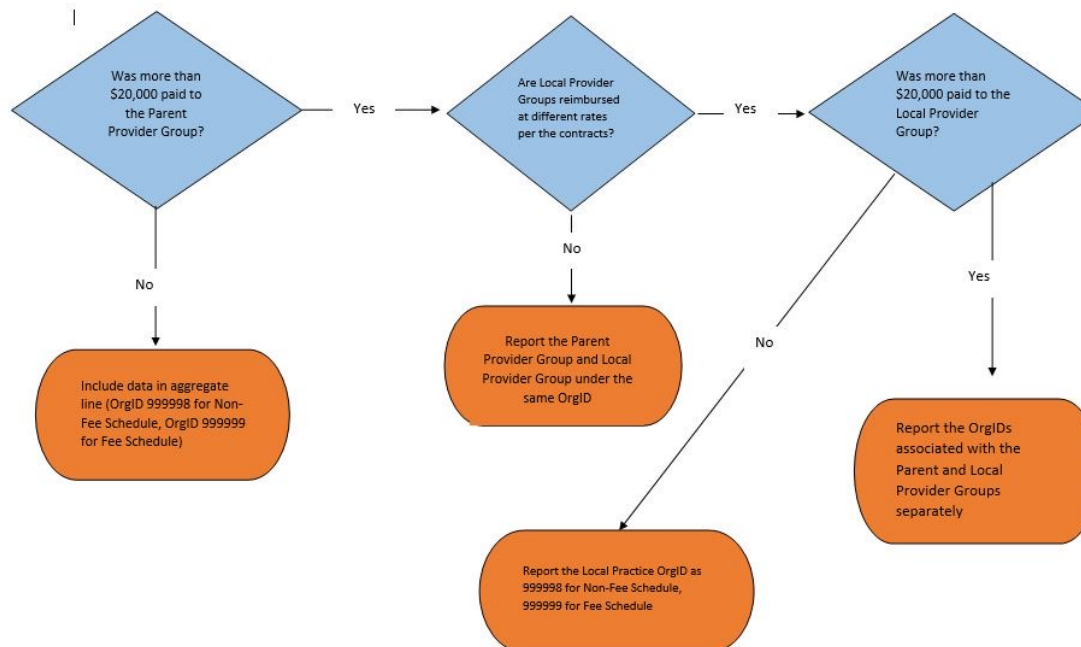
- The reporting threshold for Other Provider submissions have been set to \$20,000
- Other Providers that are reported must represent at least 80% of total payments for each provider type

Physician Group RP

- The reporting threshold for Physician Group submissions have also been set to \$20,000
- Physician Groups that are reported must represent at least 90% of total payments for each provider type

Providers that are under both \$20,000 thresholds still need to be reported within the aggregate codes

Relative Price Reporting Threshold Update: Local and Parent Providers



Providers that are under both \$20,000 thresholds still need to be reported within the aggregate codes

Relative Price Reporting Threshold Update: Example

- For providers that do not meet the \$20,000 threshold, provide the specific aggregate Organization ID for each category

ProviderGroupOrgID	LocalPracticeOrgID	InsuranceCategoryCode	ProductTypeCode	PediatricIndicator	ServiceCategoryCode	Service	MultiplierIndicator	Multiplier	ClaimsPayments	NonClaimsPayments
17761	17761	2	3	0	H27	Lab	1	2.9800	\$ 120,000.00	\$125.00
999999	999999	1	2	1	H04	Surgery	1	1.2700	\$ 19,000.00	\$500.00
999999	999999	2	2	0	H09	Observation	1	1.4300	\$ 1,000.00	\$100.00
286	286	1	2	0	H11	Observation	1	1.9900	\$ 22,000.00	\$50.00
999998	999998	1	1	0	C02	psych	2	3.0004	\$ 16,000.00	\$419.00
9995	9995	3	3	0	C05	Office Visit	2	1.1190	\$ 50,000.00	\$600.00

Providers that are under both \$20,000 thresholds still need to be reported within the aggregate codes

MULTIPLIERS FOR RELATIVE PRICE

Gorman Actuarial

September 2nd, 2021

CENTER FOR HEALTH INFORMATION AND ANALYSIS



The Reporting of Multipliers

- Multiplier data critical in calculation of RP
 - The multiplier represents the mark up from a standard fee schedule
 - Two ways to report multiplier:
 1. Directly from the negotiated provider-payer contract
 2. Imputed from the data
 - If insurers report multipliers using method 1, then the **Multiplier Indicator** is **1** indicating a negotiated base rate or multiplier
 - If insurers report multipliers using method 2, then the **Multiplier Indicator** is **2** indicating a calculated payment/ derived base rate or multiplier

Calculated/Imputed Multiplier: Hospital Outpatient

- The calculation for imputed multipliers would be performed separately by “cohort” and service category
 - Cohort
 - Hospital Type: (Acute, Psych, Chronic, Rehabilitation)
 - Insurance Category: (Commercial, Medicaid, Medicare, etc.)
 - Product Type: (HMO/POS, PPO, Indemnity, Other)
 - Service Category: (Emergency Room, Lab, Surgery, etc.)
 - The methodology used to report multiplier “should be” the same within each “cohort” and service category
 - Data used will be claims based payments and number of units

Calculated/Imputed Multiplier: Numerical Example

	(1)	(2)	(3)	(4)	(5) = (1)/(3)	(6) = (2)/(4)	(7)	(8)	(9) = (7)/(8)
Lab Services Multiplier	CPT X Total Allowed Claims	CPT Y Total Allowed Claims	CPT X Units	CPT Y Units	CPT X Price	CPT Y Price	Actual Average Price	Expected Price	Multiplier = Actual/Expected
Provider A	\$250	\$300	3	3	\$83.33	\$100.00	\$91.67	\$78.21	1.172
Provider B	\$700	\$700	10	9	\$70.00	\$77.78	\$73.68	\$77.94	0.945
Total/Network Average	\$950	\$1,000	13	12	\$73.08	\$83.33			

Calculated/Imputed Multiplier: Numerical Example

- **Columns 1 and 2:** These represent total allowed claims paid out for CPT X and CPT Y for Provider A and B in a given year
- **Columns 3 and 4:** Represent total units for CPT X and CPT Y for Provider A and B for the same year as the reported allowed claims
- **Columns 5 and 6:** These represent an imputed price for CPT X and CPT Y by provider and for the network
- **Column 7:** This is the actual price across both CPT codes. The formula for Provider A is: $(\$250 + \$300) / (3 + 3) = \$91.67$. The formula for Provider B is: $(\$700 + \$700) / (10 + 9) = \$73.68$
- **Columns 8:** This is the expected price for each provider using the network of average prices. The formula for Provider A is: $\{(3 * 73.08) + (3 * 83.33)\} / (3 + 3) = 78.21$. The formula for Provider B is $\{(10 * 73.08) + (9 * 83.33)\} / (10 + 9) = \77.94
- **Column 9:** This is the imputed multiplier and takes the ratio of Actual Price to Expected Price

Issues with Imputed Multipliers

1. Small sample size can lead to results that do not make sense
2. Calculation may not represent true negotiated price
3. Payers are expected to review results for reasonability and to adjust results accordingly to best reflect actual prices

Checking for Reasonability

Here we see that the multiplier ranges from .08 to 2.00. I have highlighted .08 as it appears unlikely. This is where contracting or actuarial could provide insight and suggest modifications on how to report the multiplier

Lab

Hospital A	1.10
Hospital B	2.00
Hospital C	0.08
Hospital D	0.95
Hospital E	1.00
Hospital F	0.85

Here we see that the multiplier ranges from .06 to 10. I have highlighted 10 as it appears unlikely. This is where contracting or actuarial could provide insight and suggest modifications on how to report the multiplier

Amb Surg

Hospital A	2.00
Hospital B	1.70
Hospital C	10.00
Hospital D	2.20
Hospital E	0.80
Hospital F	0.60

Adjusting the Results

- Imputed multipliers that lead to inaccurate results:
 - Seek assistance from contracting or actuarial/finance area
 - May lead to modifying the calculation or adjusting the data
 - May lead to reviewing the actual contracts
- Review your calculations to ensure they are correct
- Contact CHIA and CHIA's Actuaries for consultation

Questions?
